



STATE OF ARKANSAS
**Department of Finance
and Administration**

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MEMORANDUM

To: All State Agencies, Boards, Commissions and Institutions of Higher Education
Attention: Professional Consulting Services Contracting Staff
From: Joe Giddis, Director
State Procurement
Date: March 17, 2003
Subject: Professional Consulting Services Contracts Policy and Procedures—New Biennium

Please pass this memorandum to those staff personnel responsible for processing Professional Consulting Services contracts.

This memorandum address procedures for Professional Consultant Services contracts and amendments in preparation for the beginning of the new biennium. The Review and PEER Sub-Committees of the Arkansas Legislative Council will have new members with new questions and concerns. This policy memorandum details the requirements for submitting PCS contracts and amendments.

Any Professional Services Contract entered now for the next fiscal year, will have to be entered into the AASIS using the Outline Agreement (OA) process. The Outline Agreement goes through the necessary approval processes and does not commit any funds. After July 1 2003, agencies will create the Purchase Orders (PO) in reference to these OAs that will then commit agency FY04 funds, for FY04 expenditures.

We cannot create POs prior to the fiscal year end that will look at next year's funding. At this time, no carry forward of commitments from POs or Requisitions will occur (except on those funds defined by law that have prior year carryover). This means that POs entered in FY03 cannot be used in FY04.

Requisitions should be created with Document type PV (Requisition to Professional Services Outline Agreement) and the Outline Agreements created through transaction ME31K.

All agencies except Reporting Agencies will enter the Professional Services Contracts into AASIS and assign the Outline Agreement number as the contract number. Amendments should have the original contract number and a reference to the new PO number for FY04.

Amendment form OSP-1A must be used to amend approved professional consultant services contracts. The original contract number and procurement type will remain the same. Agencies are required to send an approved copy of the original and any previous amendments with the new amendment. This office requires only an original and one copy. (Unless it's a construction contract approved by SBS, which requires one additional copy) Make a notation on the amendment of the new contract number.

Remember: Amendments must include the funding codes and once a contract has been approved the contract number cannot be changed.

There are occasions when this office will request additional information on original and amended contracts. This normally arises when "OTHER" or "Sole Source by Law" methods are used. This is done to provide committee members with specific information as to the Procurement method. The goal is to answer questions prior to those questions becoming issues during committee meetings.

Original contracts and amendments to existing contracts for the new biennium, may be submitted anytime after your agency's budget has been approved. Contracts requiring Legislative Council approval have to be in this office by the cut off dates established for each month. (These dates are posted at <http://www.state.ar.us/dfa/purchasing/index.html>.) Contracts that require OSP approval can be submitted any time during the month. Due to the biennial process we expect to have a larger than normal amount of contracts submitted for review in the May/June timeframe. Contract beginning dates cannot be prior to contract review.

When either OSP or the Legislative Staff Assistant make changes to contracts that were submitted with errors, please ensure all office copies reflect the change(s). If an amendment is necessary on a contract/amendment, make sure you submit the corrected copy as back up. OSP will attach a memo with the approved copy to bring the change to your attention.

Sole Source procurements are approved by OSP and require explicit justification. Criteria for sole source is in the "Professional Consulting Services box", title [PCS INSTRUCTIONS-OCTOBER 2001](#). You may find policy memorandums, laws and regulations on the OSP web site at <http://www.state.ar.us/dfa/purchasing/index.html>.

If you need assistance please email nancy.cothren@dfa.state.ar.us, mike.patterson@dfa.state.ar.us, sybil.davenport@dfa.state.ar.us or jerry.hester@dfa.state.ar.us